

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6153

BILL NUMBER: SB 19

DATE PREPARED: Mar 2, 2001

BILL AMENDED: Mar 1, 2001

SUBJECT: First Steps Sliding Fee Scale.

FISCAL ANALYST: Kathy Norris

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Division of Family and Children to adopt rules to implement a cost participation plan for early intervention services provided under the infants and toddlers with disabilities program (commonly referred to as the First Steps Program). The bill establishes a copayment per treatment and maximum monthly cost share amounts and specifies elements that a cost participation plan must include.

Effective Date: (Amended) July 1, 2002.

Explanation of State Expenditures: (Revised) The Division will require some administrative resources to implement the required sliding fee scale. The Family and Social Services Administration has estimated that the start-up and operating costs to be approximately \$170,000 in FY 2002; annual operating costs are estimated to be \$134,000 for FY 2003. The cost of rules promulgation should be able to be absorbed within the Division's current level of appropriations.

Explanation of State Revenues: (Revised) This bill specifies that the sliding fee scale may impose fees or charges to eligible individuals whose family income is less than 200% of the Federal Income Poverty Level. This standard equates to gross income of \$22,500 for a family of two and \$34,100 for a family of four. Additional individuals are factored in at \$5,800 each. The bill also requires that the cost participation plan must provide for sudden adjustments in a family's income and allow for the waiver of required copayments if other medical expenses reduce the level of income the family has available to make copayments.

The Family and Social Services Administration reports that there are 9,756 total families participating in the First Steps Program. Of the total participating, 3,289 (or 33.7%) have income at or above 250% of the Federal Income poverty Level. However, if the Division implements a sliding fee scale that requires these families to contribute an average of \$20 each month, (an annual total of \$240 per family) the annual revenue

would be approximately \$790,000. The Division has reported that 58% (5,658 families) of the participating families would have no required copayments for the services their children receive. The Division also reported that over 200 families receiving First Steps services are at or above 800% of the Federal Poverty Guidelines, (an annual gross income of \$136,400 for a family of four).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Family and Children.

Local Agencies Affected:

Information Sources: Susan Preble, Legislative Liaison for FSSA, (317)-232-1149.